

RÉSOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: TENTATIVE DESIGNATION OF REDEVELOPER
DISPOSITION PARCEL 3B-2b
IN THE SOUTH ENDURBAN RENEWAL AREA
PROJECT NO. MASS. R-56

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the South EndUrban Renewal Area, Project No. Mass. R-56, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, Milton Freedberg d/b/a H&M Realty Trust has expressed an interest in and has submitted a satisfactory proposal for the development of Disposition Parcel 3B-2b in the South End Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Milton Freedberg d/b/a H&M Realty Trust be and hereby is tentatively designated as Redeveloper of Disposition Parcel 3B-2b in the South End Urban Renewal Area subject to:

- (a) Concurrence in the proposed disposal transaction by the Department of Housing and Urban Development;
- (b) Publication of all public disclosure and issuance of all approvals required by the Massachusetts General Laws and Title I of the Housing Acts of 1949, as amended;
- (c) Submission within ninety (90) days in a form satisfactory to the Authority of:
 - (i) Evidence of the availability of necessary equity funds, as needed; and
 - (ii) Evidence of firm financial commitments from banks or other lending institutions; and

2. That disposal of Parcel 3B-2b by negotiation is the appropriate method of making the land available for redevelopment.
3. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.
4. That the developer be and hereby are authorized to petition the Board of Appeals for any zoning changes that may be necessary to complete the proposed development.
5. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).



FREEDBERG OF BOSTON

A tradition in fine clothing since 1934.

Executive Offices
112 Shawmut Avenue
Boston, MA 02118 (617) 357-8600
New York Showroom
1290 Avenue of the Americas, Rm. 1832
New York, N.Y. 10104 (212) 246-4400

November 23, 1983

Mr. William Mendes
South End Project Coordinator
Boston Redevelopment Authority
One City Hall Square
Boston, Massachusetts 02201

Re: Reuse Parcel 3B-2b
South End Area

Dear Mr. Mendes:

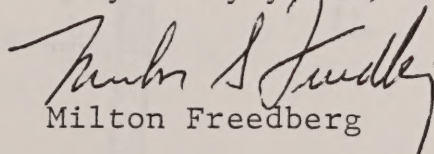
We are a light garment manufacturing company specializing in men's fine clothing. Presently, we are renting approximately 20,000 square feet of space at 112 Shawmut Avenue in the South End. However, the space has limited our operation and we are now in need of more floor area if we are to continue to grow.

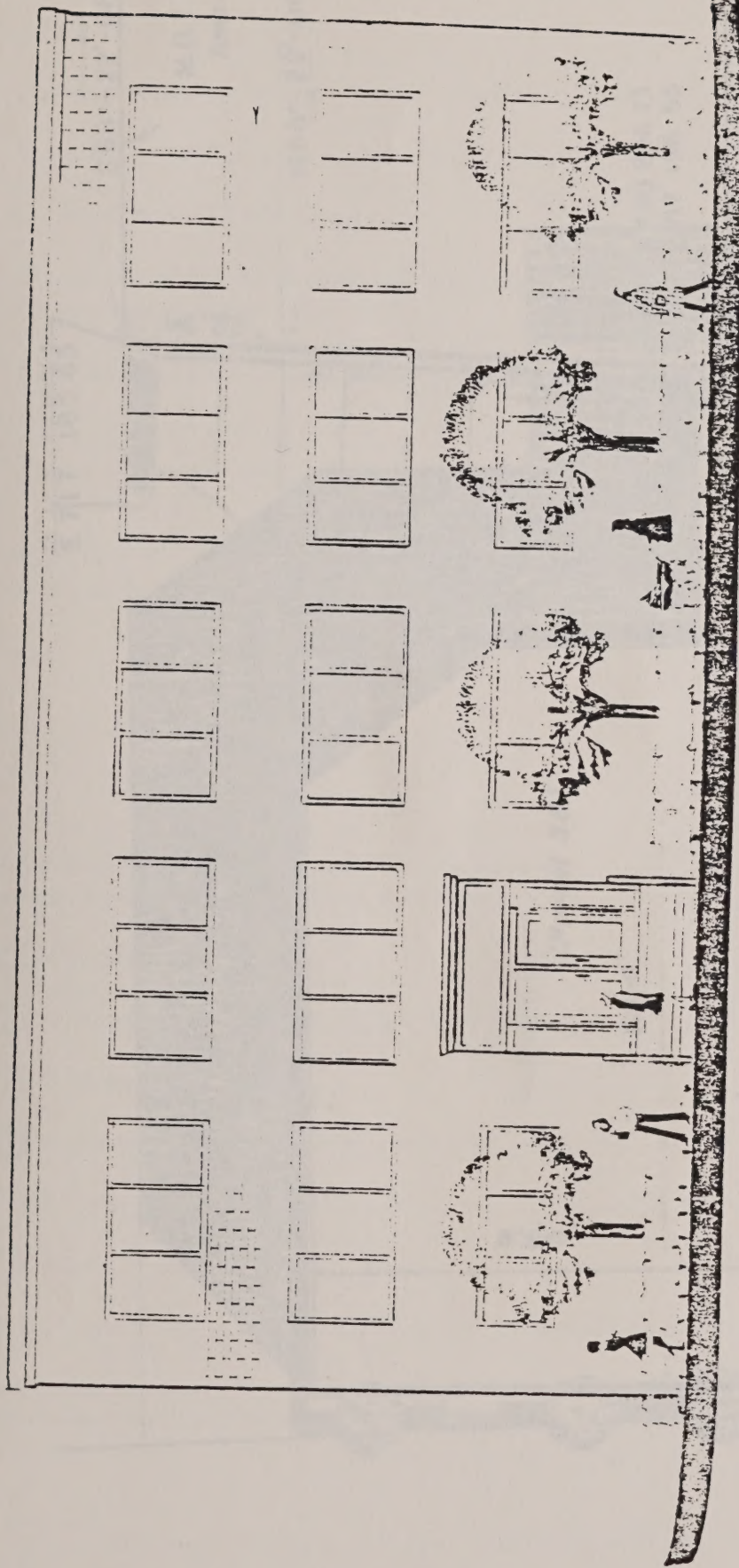
It is also our desire to remain in the South End and, therefore, we have decided it would be best to build in order to meet our need for more space.

With this in mind, I am submitting a letter of interest for redeveloping reuse parcel 3B-2b in the South End Urban Renewal Area. It is our intention, if selected as tentative designee, to submit plans and a firm financial commitment to build a three story light manufacturing building on this site.

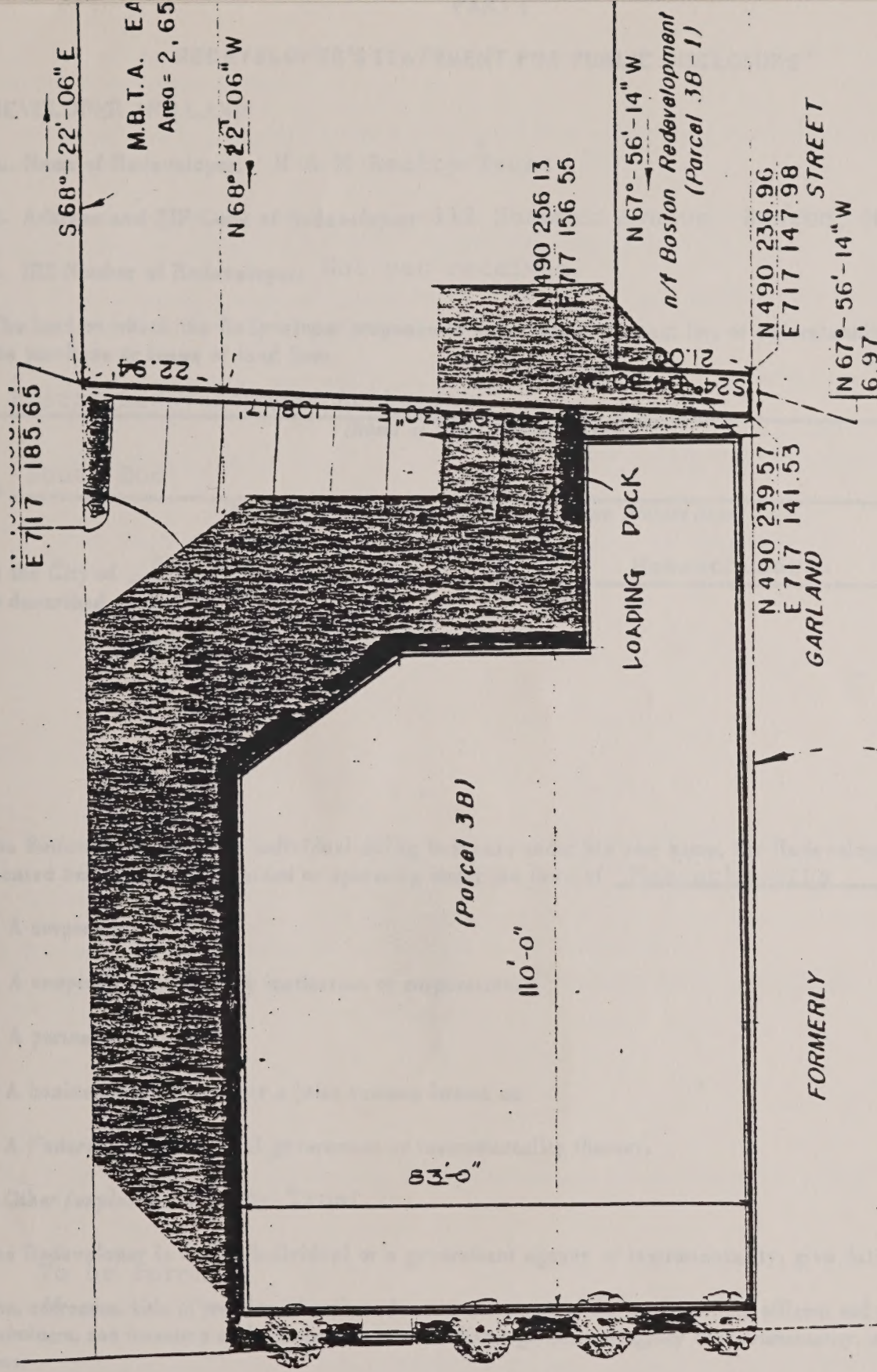
Should we be granted a designation to build on parcel 3B-2b, we feel it would not only improve the physical fabric of the neighborhood but it would also provide us with the opportunity of employing workers from the immediate community.

Very truly yours,


Milton Freedberg



FRONT ELEVATION



REDEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE¹

A. REDEVELOPER AND LAND

1. a. Name of Redeveloper: H & M Realty Trust
- b. Address and ZIP Code of Redeveloper: 112 Shawmut Avenue, Boston, MA 02118
- c. IRS Number of Redeveloper: Not yet received.
2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from

Boston Redevelopment Authority

(Name of Local Public Agency)

in South End

(Name of Urban Renewal or Redevelopment Project Area)

in the City of Boston, State of Massachusetts,
is described as follows²

Parcel 3B-2B

3. If the Redeveloper is not an individual doing business under his own name, the Redeveloper has the status indicated below and is organized or operating under the laws of Massachusetts:

- ☐ A corporation.
- ☐ A nonprofit or charitable institution or corporation.
- ☐ A partnership known as
- ☐ A business association or a joint venture known as
- ☐ A Federal, State, or local government or instrumentality thereof.
- ☒ Other (explain) Realty Trust

4. If the Redeveloper is not an individual or a government agency or instrumentality, give date of organization:
To be formed.

5. Names, addresses, title of position (if any), and nature and extent of the interest of the officers and principal members, shareholders, and investors of the Redeveloper, other than a government agency or instrumentality, are set forth as follows:

¹ If space on this form is inadequate for any requested information, it should be furnished on an attached page which is referred to under the appropriate numbered item on the form.

² Any convenient means of identifying the land (such as block and lot numbers or street boundaries) is sufficient. A description by metes and bounds or other technical description is acceptable, but not required.

- a. If the Redeveloper is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock¹
- b. If the Redeveloper is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the Redeveloper is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.
- d. If the Redeveloper is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the Redeveloper is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

NAME, ADDRESS, AND ZIP CODEPOSITION TITLE (if any) AND PERCENT OF INTEREST OR DESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

Milton H. Freedberg
250 Country Drive
Weston, MA 02193

Co-Trustee and Owner
of 100% of Beneficial
Interest

6. Name, address, and nature and extent of interest of each person or entity (not named in response to Item 5) who has a beneficial interest in any of the shareholders or investors named in response to Item 5 which gives such person or entity more than a computed 10% interest in the Redeveloper (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the Redeveloper; or more than 50% of the stock in a corporation which holds 20% of the stock of the Redeveloper):

NAME, ADDRESS, AND ZIP CODEDESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

7. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 5 or Item 6 above:

B. RESIDENTIAL REDEVELOPMENT OR REHABILITATION

(The Redeveloper is to furnish the following information, but only if land is to be redeveloped or rehabilitated in whole or in part for residential purposes.)

¹ If a corporation is required to file periodic reports with the Federal Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934, so state under this Item 5. In such case, the information referred to in this Item 5 and in Items 6 and 7 is not required to be furnished.

1. State the Redeveloper's estimates, exclusive of payment for the land, for:

- a. Total cost of any residential redevelopment. \$
- b. Cost per dwelling unit of any residential redevelopment. \$
- c. Total cost of any residential rehabilitation \$
- d. Cost per dwelling unit of any residential rehabilitation \$

2. a. State the Redeveloper's estimate of the average monthly rental (*if to be rented*) or average sale price (*if to be sold*) for each type and size of dwelling unit involved in such redevelopment or rehabilitation:

<u>TYPE AND SIZE OF DWELLING UNIT</u>	<u>ESTIMATED AVERAGE</u>	<u>ESTIMATED AVERAGE</u>
	<u>MONTHLY RENTAL</u>	<u>SALE PRICE</u>
	\$	\$

b. State the utilities and parking facilities, if any, included in the foregoing estimates of rentals;

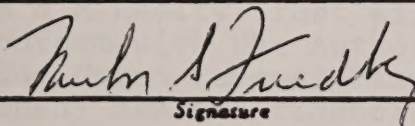
c. State equipment, such as refrigerators, washing machines, air conditioners, if any, included in the foregoing estimates of sales prices:

CERTIFICATION

I (We)¹ _____

certify that this Redeveloper's Statement for Public Disclosure is true and correct to the best of my (our) knowledge and belief.²

Dated: _____



Signature



Title

Address and ZIP Code

Dated: _____

Signature

Title

Address and ZIP Code

¹ If the Redeveloper is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

² Penalty for False Certification: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or imprisonment of not more than five years, or both, for knowingly and willfully making or using any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department of the United States.

MEMORANDUM

DECEMBER 15, 1983

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: SOUTH END URBAN RENEWAL AREA, PROJECT NO. MASS R-56
TENTATIVE DESIGNATION OF RE-USE PARCEL 3B-2b/
180-188 SHAWMUT AVENUE

Summary: This memorandum requests that the Authority tentatively designate Milton Freedberg d/b/a H & M Realty Trust as Redeveloper of Re-use Parcel 3B-2b in the South End Urban Renewal Area.

Parcel 3B-2b is located at 180-188 Shawmut Avenue in the South End Urban Renewal Area and contains approximately 16,587 square feet of vacant land.

Milton Freedberg d/b/a H & M Realty Trust has expressed an interest in developing Parcel 3B-2b. Freedberg of Boston, a light garment manufacturing company specializing in men's fine clothing, is presently leasing approximately 20,000 square feet of space at 112 Shawmut Avenue. Because of the expansion of the Company's operations, there is now a need for additional floor space.

Therefore, Milton Freedberg has submitted a proposal which calls for the redevelopment of Parcel 3B-2b with the construction of a three-story light manufacturing building and employee parking. The proposed development would not only improve the physical fabric of the neighborhood but it would also provide employment opportunity for community residents.

Once designated as a tentative redeveloper, Milton Freedberg d/b/a H & M Realty Trust will submit final working drawings which will conform with the Authority's Standards, Guidelines and the South End Urban Renewal Plan. Mr. Freedberg has also shown that his company has the financial capability of redeveloping Parcel 3B-2b.

I, therefore, recommend that the Authority tentatively designate Milton Freedberg d/b/a H & M Realty Trust as Redeveloper of Parcel 3B-2b in the South End Area.

An appropriate resolution is attached.

This is a detailed street map of a neighborhood in New York City, likely from a historical or planning document. The map shows a grid of streets and numerous buildings, each labeled with a number. Key streets include East Avenue, Berkeley, Shawmut Avenue, and Harrison. The map also shows various landmarks and specific locations, such as John J. Williams El. School and Holy Church. The map is oriented with North at the top.

Streets shown include:

- East Avenue
- Berkeley
- Shawmut Avenue
- Harrison
- Traveler
- William E. Mullins Way
- Cherry Street
- Garland Street
- Fay Street
- St. Nicholas Street
- St. Peter Street
- St. Paul Street
- St. John Street
- St. James Street
- St. George Street
- St. Andrew Street
- St. Patrick Street
- St. Mary Street
- St. Elizabeth Street
- St. Ann Street
- St. Rose Street
- St. Anthony Street
- St. Francis Street
- St. Vincent Street
- St. Martin Street
- St. Ignace Street
- St. Joseph Street
- St. Michael Street
- St. Gabriel Street
- St. Raphael Street
- St. Zachary Street
- St. Philip Street
- St. James Street
- St. John Street
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- St. Ann Street
- St. Rose Street
- St. Anthony Street
- St. Francis Street
- St. Vincent Street
- St. Martin Street
- St. Ignace Street
- St. Joseph Street
- St. Michael Street
- St. Gabriel Street
- St. Raphael Street
- St. Zachary Street
- St. Philip Street

Buildings and landmarks shown include:

- John J. Williams El. School
- Holy Church
- Trinity Church
- St. Nicholas Church
- St. Peter Church
- St. Paul Church
- St. Andrew Church
- St. Patrick Church
- St. Mary Church
- St. Elizabeth Church
- St. Ann Church
- St. Rose Church
- St. Anthony Church
- St. Francis Church
- St. Vincent Church
- St. Martin Church
- St. Ignace Church
- St. Joseph Church
- St. Michael Church
- St. Gabriel Church
- St. Raphael Church
- St. Zachary Church
- St. Philip Church

Other labels on the map include:

- Parcel 3B-2b/180-188 Shawmut Avenue
- SE-59
- SE-65 TO SE-60
- P-6b SE-88
- SE-96
- SE-98
- SE-97
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- SE-100

REDEVELOPER'S STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

(For Confidential Official Use of the Local Public Agency and the Department of Housing and Urban Development. Do Not Transmit to HUD Unless Requested or Item 8b is Answered "Yes.")

1. a. Name of Redeveloper: H & M Realty Trust
b. Address and ZIP Code of Redeveloper: c/o Milton Freedberg
250 Country Drive
Weston, MA 02193
2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from

Boston Redevelopment Authority
(Name of Local Public Agency)

in South End
(Name of Urban Renewal or Redevelopment Project Area)

in the City of Boston, State of Massachusetts,
is described as follows:

Parcel 3B-2B

3. Is the Redeveloper a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? ☒ YES ☐ NO
If Yes, list each such corporation or firm by name and address, specify its relationship to the Redeveloper, and identify the officers and directors or trustees common to the Redeveloper and such other corporation or firm.
Arthur H. Freedberg Company Sole Beneficiary of Trust is
112 Shawmut Avenue Sole Stockholder and President
Boston, Massachusetts 02118 Treasurer & Director -
Co-Trustee is also Officer and Director

4. a. The financial condition of the Redeveloper, as of _____, 19____, is as reflected in the attached financial statement.

(NOTE: Attach to this statement a certified financial statement showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.)

*Resources of developer include assets of sole beneficiary.

- b. Name and address of auditor or public accountant who performed the audit on which said financial statement is based:

Robert Sharkansky CPA
Torey St. - Brockton, MA

5. If funds for the development of the land are to be obtained from sources other than the Redeveloper's own funds, a statement of the Redeveloper's plan for financing the acquisition and development of the land:

6. Sources and amount of cash available to Redeveloper to meet equity requirements of the proposed undertaking:

a. In banks:

NAME, ADDRESS, AND ZIP CODE OF BANK

AMOUNT

\$

See Company's Financial Statements

b. By loans from affiliated or associated corporations or firms:

NAME, ADDRESS, AND ZIP CODE OF SOURCE

AMOUNT

\$

c. By sale of readily salable assets:

DESCRIPTION

MARKET VALUE

MORTGAGES OR LIENS

\$

\$

7. Names and addresses of bank references:

Joseph Tansey V.P.
The First National Bank of Boston
100 Federal Street
Boston, Massachusetts

8. a. Has the Redeveloper or (if any) the parent corporation, or any subsidiary or affiliated corporation of the Redeveloper or said parent corporation, or any of the Redeveloper's officers or principal members, shareholders or investors, or other interested parties (as listed in the responses to Items 5, 6, and 7 of the Redeveloper's Statement for Public Disclosure and referred to herein as "principals of the Redeveloper") been adjudged bankrupt, either voluntary or involuntary, within the past 10 years? ☐ YES ☒ NO

If Yes, give date, place, and under what name.

- b. Has the Redeveloper or anyone referred to above as "principals of the Redeveloper" been indicted for or convicted of any felony within the past 10 years? ☐ YES ☒ NO

If Yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

9. a. Undertakings, comparable to the proposed redevelopment work, which have been completed by the Redeveloper or any of the principals of the Redeveloper, including identification and brief description of each project and date of completion:

N/A

- b. If the Redeveloper or any of the principals of the Redeveloper has ever been an employee, in a supervisory capacity, for construction contractor or builder on undertakings comparable to the proposed redevelopment work, name of such employee, name and address of employer, title of position, and brief description of work:

N/A

10. Other federally aided urban renewal projects under Title I of the Housing Act of 1949, as amended, in which the Redeveloper or any of the principals of the Redeveloper is or has been the redeveloper, or a stockholder, officer, director or trustee, or partner of such a redeveloper:

N/A

11. If the Redeveloper or a parent corporation, a subsidiary, an affiliate, or a principal of the Redeveloper is to participate in the development of the land as a construction contractor or builder:

N/A

- a. Name and address of such contractor or builder:

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

☐ YES ☒ NO

If Yes, explain:

- c. Total amount of construction or development work performed by such contractor or builder during the last three years: \$ _____.

General description of such work:

N/A

- d. Construction contracts or developments now being performed by such contractor or builder:

IDENTIFICATION OF
CONTRACT OR DEVELOPMENT

LOCATION

AMOUNT

DATE TO BE
COMPLETED

N/A

\$

AWARDING AGENCY

AMOUNT

DATE OPENED

\$

N/A

12. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the redevelopment of the land, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

N/A

13. a. Does any member of the governing body of the Local Public Agency to which the accompanying bid or proposal is being made or any officer or employee of the Local Public Agency who exercises any functions or responsibilities in connection with the carrying out of the project under which the land covered by the Redeveloper's proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal? ☐ YES ☒ NO

If Yes, explain.

- b. Does any member of the governing body of the locality in which the Urban Renewal Area is situated or any other public official of the locality, who exercises any functions or responsibilities in the review or approval of the carrying out of the project under which the land covered by the Redeveloper's proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal? ☐ YES ☒ NO

If Yes, explain.

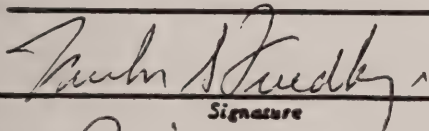
14. Statements and other evidence of the Redeveloper's qualifications and financial responsibility (other than the financial statement referred to in Item 4a) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I (We)¹

certify that this Redeveloper's Statement of Qualifications and Financial Responsibility and the attached evidence of the Redeveloper's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.²

Dated: _____



Signature

Pres

Title

Address and ZIP Code

Dated: _____

Signature

Title

Address and ZIP Code

- ¹ If the Redeveloper is a corporation, this statement should be signed by the President and Secretary of the corporation; if an individual, by such individual; if a partnership, by one of the partners; if an entity not having a president and secretary, by one of its chief officers having knowledge of the financial status and qualifications of the Redeveloper.
- ² Penalty for False Certification: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or imprisonment of not more than five years, or both, for knowingly and willfully making or using any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department

ARTHUR H. FREEDBERG CO.
UNAUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 1982

**ROBERT
SHARKANSKY & COMPANY**
Certified Public Accountants

Board of Directors
Arthur H. Freedberg Co.
112 Shawmut Avenue
Boston, Massachusetts

Gentlemen:

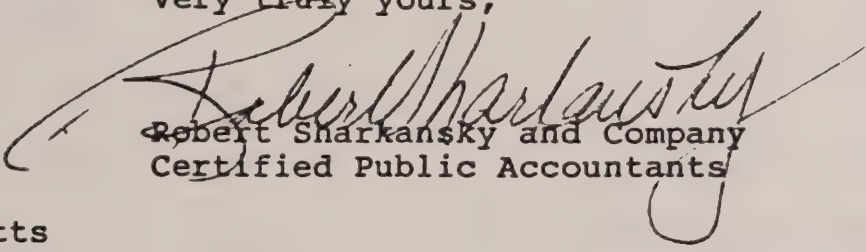
We have reviewed the accompanying statement of financial position of Arthur H. Freedberg Co. as of December 31, 1982 and 1981 and the related statements of income and retained earnings and the changes in financial position for the years then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Arthur H. Freedberg Co.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The supplemental schedules have been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such data.

Very truly yours,


Robert Sharkansky and Company
Certified Public Accountants

Brockton, Massachusetts
January 21, 1983

ARTHUR H. FREEDBERG CO.
UNAUDITED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1982 AND 1981

	<u>1982</u>	<u>1981</u>
ASSETS		
Current assets:		
Cash	\$ 232,829	\$ 597,094
Accounts receivable - trade (net of reserve of bad debts and discounts: 1982, \$43,466; 1981, \$34,514)	1,222,021	947,433
Inventory	1,151,692	742,052
Prepaid expenses	8,953	20,435
Total current assets	<u>2,615,495</u>	<u>2,307,014</u>
Property and equipment - net	<u>30,319</u>	<u>34,178</u>
Other assets:		
Investment in subsidiary	-0-	4,000
Deferred income tax	5,520	6,927
Cash surrender value of life insurance (net of loans of \$40,500)	49,711	21,275
Deposits	935	935
Total other assets	<u>56,166</u>	<u>33,137</u>
 TOTAL	 <u>\$2,701,980</u>	 <u>\$2,374,329</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Note payable - officer	\$ 42,800	\$ -0-
Accounts payable	694,185	605,769
Accrued expenses:		
Payroll and payroll taxes	11,110	29,003
Corporate income taxes	8,963	5,064
Other	410,225	246,595
Total current liabilities	<u>1,167,283</u>	<u>886,431</u>
Stockholder's equity:		
Common stock - \$100 par value; authorized issued and outstanding 3,000 shares	300,000	300,000
Additional paid-in capital	18,950	18,950
Retained earnings	2,836,997	2,790,198
Total	<u>3,155,947</u>	<u>3,109,148</u>
Less treasury stock (2,325 shares at cost)	<u>1,621,250</u>	<u>1,621,250</u>
Total stockholder's equity	<u>1,534,697</u>	<u>1,487,898</u>
 TOTAL	 <u>\$2,701,980</u>	 <u>\$2,374,329</u>

See notes to unaudited financial statements.

See accountant's review report.

ARTHUR H. FREEDBERG CO.
UNAUDITED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1982 AND 1981

	<u>1982</u>	<u>§</u>	<u>1981</u>	<u>§</u>
Net sales	\$7,016,886	100.0	\$6,186,224	100.0
Cost of goods sold	<u>5,662,571</u>	<u>80.7</u>	<u>5,028,883</u>	<u>81.3</u>
Gross profit	<u>1,354,315</u>	<u>19.3</u>	<u>1,157,341</u>	<u>18.7</u>
Operating expenses:				
Selling and distribution	617,848	8.8	558,114	9.0
Administrative	<u>643,904</u>	<u>9.2</u>	<u>643,603</u>	<u>10.4</u>
Total	<u>1,261,752</u>	<u>18.0</u>	<u>1,201,717</u>	<u>19.4</u>
Income (loss) before other income	92,563	1.3	(44,376)	(.7)
Other income and expense	<u>3,934</u>	<u>.1</u>	<u>131,841</u>	<u>2.1</u>
Income before taxes on income	<u>96,497</u>	<u>1.4</u>	<u>87,465</u>	<u>1.4</u>
Taxes on income:				
Federal	34,010	.5	26,790	.4
State	<u>15,688</u>	<u>.2</u>	<u>14,283</u>	<u>.3</u>
Total	<u>49,698</u>	<u>.7</u>	<u>41,073</u>	<u>.7</u>
Net income	46,799	<u>.7</u>	46,392	<u>.7</u>
Retained earnings, beginning	<u>2,790,198</u>		<u>2,743,806</u>	
Retained earnings, ending	<u>\$2,836,997</u>		<u>\$2,790,198</u>	

See notes to unaudited financial statements.

See accountant's review report.

ARTHUR H. FREEDBERG CO.
 UNAUDITED STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEARS ENDED DECEMBER 31, 1982 AND 1981

	<u>1982</u>	<u>1981</u>
Sources of working capital:		
Provided by operations:		
Net income	\$ 46,733	\$ 46,392
Add items not involving working capital:		
Depreciation	13,372	15,641
Loss on disposal of fixed assets	2,021	-0-
Total from operations	<u>62,122</u>	<u>62,033</u>
Proceeds from sale of fixed assets	8,750	-0-
Decrease in cash surrender value of officer's life insurance	-0-	24,177
Decrease in investment in subsidiary	4,000	-0-
Decrease in deferred income taxes	1,407	1,306
Total sources	<u>76,349</u>	<u>87,516</u>
Applications of working capital:		
Additions to property and equipment	20,284	29,422
Reduction of officer's life insurance - loan	-0-	425
Increase in cash surrender value of officer's life insurance	28,436	18,346
Total applications	<u>48,720</u>	<u>48,193</u>
Increase in working capital	27,629	39,323
Working capital at beginning of year	<u>1,420,583</u>	<u>1,381,260</u>
Working capital at end of year	<u>\$1,448,212</u>	<u>\$1,420,583</u>
Increase (decrease) in working capital by component:		
Cash	\$ (364,265)	\$ (303,497)
Accounts receivable	274,588	(32,586)
Inventories	409,640	294,873
Prepaid expenses	(11,482)	(15,272)
Notes payable	(42,800)	-0-
Accounts payable	(88,416)	(100,857)
Accrued expenses	<u>(149,636)</u>	<u>196,662</u>
Increase in working capital	<u>\$ 27,629</u>	<u>\$ 39,323</u>

See notes to unaudited financial statements.

See accountant's review report.

ARTHUR H. FREEDBERG CO.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies followed in the preparation of these financial statements. The policies conform to generally accepted accounting principles and have been consistently applied.

Inventories are valued on a first-in, first-out basis at the lower of cost or market value. Market is determined by replacement cost or net realizable value.

Property and equipment are recorded at cost. Depreciation is computed on the accelerated cost recovery system (ACRS) method over the prescribed statutory period. Leasehold improvements are amortized over the shorter of the useful lives of the improvements or the lease period. Costs of maintenance and repairs are charged to expense while costs of significant renewals and betterments are capitalized.

Treasury stock is recorded at cost.

2. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>1982</u>	<u>1981</u>
Machinery and equipment	\$ 84,613	\$ 75,264
Furniture and fixtures	43,714	43,550
Leasehold improvements	34,451	34,451
Motor vehicles	<u>14,092</u>	<u>14,092</u>
Total	176,870	167,357
Less accumulated depreciation	<u>146,551</u>	<u>133,179</u>
Property and equipment - net	<u>\$ 30,319</u>	<u>\$ 34,178</u>

Depreciation expenses for the years ended December 31, 1982 and 1981 amounted to \$ 13,372 and \$15,641, respectively.

See accountant's review report.

ARTHUR H. FREEDBERG CO.
NOTES TO UNAUDITED FINANCIAL STATEMENTS (cont'd)
DECEMBER 31, 1982

3. LEASE COMMITMENTS

At December 31, 1982, the Company had minimum rental commitments under non-cancelable operation leases as follows:

Minimum rentals for the years ended:

December 31, 1983	\$77,671
December 31, 1984	77,671
December 31, 1985	77,671
December 31, 1986	77,671
December 31, 1987	19,419

Total rental expense for the years ended December 31, 1982 and 1981 amounted to \$64,437 and \$69,160, respectively.

4. PENSION AND PROFIT SHARING PLANS

The Company has a defined benefit pension plan covering substantially all of their employees. The Company's policy is to fund pension costs accrued. The pension plan is currently funded in excess of the actuarially computed values of vested benefits as of December 31, 1982.

The Company has a trustee profit sharing plan which is qualified under Section 401 of the Internal Revenue Code of 1954. All full-time, salaried employees, over 21 years of age, employed at least one year are eligible for participation in the plan, as determined by the Board of Directors, is limited to the maximum permitted by the Internal Revenue Code.

5. CONTINGENT LIABILITY

The Company utilized union employees and contractors. In connection with a recent amendment to the Employees Retirement Security Act (ERISA), the Company may be contingently liable for unfunded past service costs relating to the union plans. However, it cannot be presently ascertained what this amount may be and accordingly, no provision has been made for this potential liability, if any, at this time.

See accountant's review report.

ARTHUR H. FREEDBERG CO.
NOTES TO UNAUDITED FINANCIAL STATEMENTS (cont'd)
DECEMBER 31, 1982

6. INCOME TAXES

Investment tax credits are accounted for on the flow-through method as a reduction of federal income taxes in the year in which the assets which gave rise to the credit are placed in service. The reason for the difference between total tax expense and the amount computed by applying the statutory federal tax rate of 46% in 1982 and 46% in 1981 to the federal taxable income were as follows:

	<u>1982</u>	<u>1981</u>
Statutory rate applied to federal taxable income	\$ 53,364	\$ 45,234
Increase (decrease):		
State income tax	15,426	14,021
Surtax exemption	(19,750)	(19,150)
Investment tax credit	(951)	(693)
Deferred income taxes	1,407	1,306
Other	<u>202</u>	<u>355</u>
Total taxes on income	<u>\$ 49,698</u>	<u>\$ 41,073</u>

See accountant's review report.

ARTHUR H. FREEDBERG CO.
 UNAUDITED SCHEDULE OF COST OF GOODS SOLD
 FOR THE YEARS ENDED DECEMBER 31, 1982 AND 1981

	<u>1982</u>	<u>1981</u>
Material used:		
Inventory, beginning	\$ 275,210	\$ 190,262
Woolens	1,977,871	1,616,652
Duties and entries	27,754	25,054
Freight	48,355	37,772
Trimmings and findings	507,057	464,102
Total material available	<u>2,836,247</u>	<u>2,333,842</u>
Inventory, ending	571,787	275,210
Total material used	<u>2,264,460</u>	<u>2,058,632</u>
Direct labor:		
Contract labor	2,953,544	2,670,757
Payroll:		
Cutters	287,313	253,417
Total direct labor	<u>3,240,857</u>	<u>2,924,174</u>
Factory overhead:		
Payroll taxes	19,826	25,342
Union benefits	53,795	48,479
Rent	64,437	69,160
Designer fees	16,566	14,750
Interfactory freight	62,878	54,624
Utilities	16,175	15,514
Manufacturing expenses	1,329	4,041
Tickets and labels	26,500	18,669
Depreciation - equipment	8,811	5,423
Total factory overhead	<u>270,317</u>	<u>256,002</u>
Total	5,775,634	5,238,808
Work-in-process, beginning	226,553	162,722
	<u>6,002,187</u>	<u>5,401,530</u>
Work-in-process, ending	144,384	226,553
Cost of goods manufactured	<u>5,857,803</u>	<u>5,174,977</u>
Finished goods, beginning	240,289	94,195
	<u>6,098,092</u>	<u>5,269,172</u>
Finished goods, ending	435,521	240,289
Cost of goods sold	<u>\$5,662,571</u>	<u>\$5,028,883</u>

See accountant's review report.

